

Using disease management and care coordination services in traditional Medicare

ISSUE: Many experts argue that effective management of beneficiaries with chronic conditions including chronic kidney disease (CKD), diabetes, and heart disease requires ongoing coordinated care across health care settings and among service providers. Medicare has initiated a series of demonstration projects to test the viability of care coordination programs within traditional Medicare. At issue is whether use of disease management and care coordination programs can improve the delivery and coordination of high-quality care, and reduce program costs and beneficiary spending.

KEY POINTS: A small proportion of fee-for-service beneficiaries account for a disproportionate share of Medicare expenditures. These beneficiaries often suffer from one or more chronic illnesses and require repeated costly hospitalizations. Health care for beneficiaries with chronic conditions has often been fragmented and poorly coordinated because the health care system is not focused on preventing illnesses, and Medicare payment silos can hinder coordination of care across settings. Policy-makers must rely on limited research to determine how best to adapt Medicare payment and coverage rules to address the problems of these beneficiaries.

We plan to conduct research on the development and implementation of disease management and care coordination services within traditional Medicare. Proposed topics include:

- Evaluation of existing disease management programs within the public and private sectors
- Analysis of claims data to better understand the implications of targeting programs to particular beneficiary populations
- Payment issues including who is paid, how payment is set, and the role of noncovered services within a disease management program
- How can Medicare obtain timely and accurate data to implement programs, track use and cost of services, and measure quality of care?
- Program evaluation and outcome measurement

ACTION: Staff would like comments on the proposed work plan. Are there any additional topics that we should address?

STAFF CONTACT: Nancy Ray (202-220-3723) and Joan Sokolovsky (202-220-3720)